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## Report of the Delhi Group on Informal Sector Statistics

### Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,** the Secretary-General has the honour to transmit for information the report of the Delhi Group on Informal Sector Statistics. The Commission is requested to take note of the report of the Group.

* E/CN.3/2005/1.
** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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# Report of the Delhi Group on Informal Sector Statistics

**Purpose**

Set up as an international forum to exchange experience in the measurement of the informal sector, document the data-collection practices, including definitions and survey methodologies followed by member countries, and recommend measures for improving the quality and comparability of informal sector statistics.

**Participants**

Experts from the statistical offices of Armenia, Australia, Bangladesh, Brazil, Colombia, Cuba, Ethiopia, Fiji, France, India, Indonesia, Malaysia, Mexico, Namibia, Nepal, Nigeria, the Philippines, Poland, the Republic of Korea, Sri Lanka, Thailand, Turkey, Venezuela (Bolivarian Republic of) and Zambia; international bodies, such as the Asian Development Bank, the Economic and Social Commission for Asia and the Pacific, the International Labour Organization, the Statistical Institute for Asia and the Pacific and the United Nations Statistics Division; and other institutions, such as the Centre for Development Alternatives, the Centre for Social Development, the French Scientific Research Institute for Development and Cooperation, the Gujarat Institute for Development Research, the Harvard Institute for International Development, the National Council for Applied Economic Research, the Self-Employed Women's Association, the Socio-economic Research Centre and Women in Informal Employment Globalizing and Organizing.

**Meetings**

First meeting: New Delhi, 20-22 May 1997.

Second meeting: Ankara, 28-30 April 1998.

Third meeting: New Delhi, 17-19 May 1999.

Fourth meeting: Geneva, 28-30 August 2000.

Fifth meeting: New Delhi, 19-21 September 2001.

Sixth meeting: Rio de Janeiro, 16-18 September 2002.

Seventh meeting: New Delhi, 2-4 February 2004.

**Topics considered**

*First meeting*

The meeting was focused primarily on evolving the terms of reference of the Delhi Group and presenting papers on country experience in the collection and publication of informal sector statistics. The importance of the informal sector for the economies of developing countries and the developments in its measurement were also discussed by different international organizations.

*Second meeting*

The current status of, inter alia, informal sector statistics, limitations of comparability and country profiles was discussed. A number of technical issues, such as definitional issues, classification and operational problems, survey

approaches and sampling designs, including mixed household and enterprise surveys, were discussed in detail. In addition, the contribution of the informal sector in terms of, inter alia, employment, value added and capital formation in the economy of participating countries was also discussed.

*Third meeting*

The meeting was structured to focus discussions on the following specific technical issues:

(a) Operationalization of the Fifteenth International Conference of Labour Statisticians/System of National Accounts, 1993 international definition of the informal sector;

(b) Strategies to address the issues relating to sampling frame and weighting in informal sector surveys;

(c) Methodologies for obtaining accurate measures of value added for the informal sector.

The meeting recognized that the national definitions of the informal sector cannot be fully harmonized as the informal sector manifests itself in different ways in different countries. However, the recommendation was made to use the criteria of legal organization, type of account and product destination in the definition and identification of informal sector units.

*Fourth meeting*

The meeting consisted of three technical sessions devoted to:

(a) Presentation of results of informal sector surveys conducted by different countries in relation to the action taken and limitations of different survey methods and sampling designs;

(b) Methodology for developing more accurate measures of value added and estimation of the contribution of the informal sector to gross domestic product;

(c) Alternative structure of the International Standard Industrial Classification of All Economic Activities, Revision 3, for the informal sector.

*Fifth meeting*

The technical issues were structured along the following topics:

(a) Application of informal sector definition: treatment of persons at the borderline between own-account workers and employees;

(b) Development of criteria for the identification of persons in informal (or precarious, non-standard etc.) employment inside and outside the informal sector;

(c) Sampling frames and designs for mixed household and enterprise surveys;

(d) Evaluation of informal sector survey data and measures for quality improvement;

(e) Country experience.

*Sixth meeting*

The sixth meeting considered the following issues:

(a) Operationalization of the concept of "informal employment" as distinct from "informal sector employment";

(b) Linkages of informal sector statistics with income and expenditure and poverty statistics;

(c) Establishment of comparable data sets on the informal sector;

(d) Methods and procedures for the collection of informal sector statistics on a regular basis, including the preparation of a manual.

*Seventh meeting*

The seventh meeting considered the following issues:

(a) Defining informal employment and methodologies for its measurement;

(b) Improving the quality of informal sector statistics — country experience;

(c) Measurement of the informal economy through income and expenditure surveys.

**Achievements**

(a) Stocktaking and documentation of existing country experience in the measurement of informal sector and informal employment;

(b) Based on the Fifteenth International Conference of Labour Statistics resolution, development of a harmonized definition of the informal sector to obtain internationally more comparable statistics;

(c) Refinement of the Fifteenth International Conference of Labour Statistics definition (e.g. regarding the treatment of households employing paid domestic workers);

(d) Inputs to the revision of the International System of Industrial Classifications;

(e) Provision of technical feedback to countries for the development of informal sector statistics;

(f) Upon the initiative of the Delhi Group, an integrated survey of households in India was conducted in 1999-2000 on employment, unemployment, consumer expenditure and non-agricultural enterprises in the informal sector that was the largest survey on the informal sector ever undertaken in the world;

(g) Upon the suggestion by the Delhi Group and with the support of its members, the International Labour Organization developed a conceptual framework for defining informal employment that was adopted in the form of international guidelines by the Seventeenth International Conference of Labour Statistics as a complement to the Fifteenth International Conference of Labour Statistics resolution;

(h) Organization of annual meetings on specific topics agreed by the Group, which take stock of the progress achieved and are documented through the publication of meeting reports (including the papers discussed in the meetings);

(i) Conceptual and analytical work done on measuring the links between poverty and the informal sector/informal employment.

**Products**

Reports of the first through sixth meetings. The report of the seventh meeting is under preparation.

**Planned activities**

The future work programme of the Delhi Group, as resolved at its seventh meeting, held in New Delhi from 2 to 4 February 2004, includes the following:

(a) Identification, definition and development of a core set of indicators on informal sector and informal employment in line with the importance placed on informal employment by the Task Force on Education and Gender Equality of the United Nations Millennium Project;

(b) Operationalization of the Seventeenth International Conference of Labour Statistics adopted definition of informal jobs of employees;

(c) Definition and measurement of subgroups of the various types of informal jobs in relation to status of employment and development of methods and survey questions to reduce classification errors in respect of employment situation on the borderline of status in employment categories;

(d) Identification of various types of informal jobs in agriculture;

(e) Devising a checklist for the evaluation of data quality of surveys on the informal sector and informal employment;

(f) Further work on the measurement of the contribution of informal sector/ informal employment to gross domestic product, including work by regional and international organizations;

(g) Recommending more detailed categories for the updating of the International Standard Classification of Occupations, 1988, to cover specific descriptions of informal activities;

(h) Continue conceptual and analytical work on measuring the links between poverty and informal employment.

**Point of contact**

Secretary
Ministry of Statistics and Programme Implementation
Sardar Patel Bhawan, Sansad Marg
New Delhi 110 001
India
Tel.: (91-11) 373-2150
Fax: (91-11) 334-4689/334-2384
E-mail: mpudos@bol.net.in
Web site: http://www.mospi.nic.in